

RD AN No. 3487 (1944-I)  
September 28, 1999

TO: State Directors, Rural Development Managers,  
and Community Development Managers

ATTN: Rural Housing Program Directors

FROM: Eileen M. Fitzgerald (Signed by Eileen M. Fitzgerald)  
Acting Administrator  
Rural Housing Service

SUBJECT: Eligibility of Self-Help Housing Applicants

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to clarify what is to be issued to self-help applicants who have been determined eligible for a rural housing loan.

**COMPARISON WITH PREVIOUS AN:**

There is no previous AN on this subject.

**IMPLEMENTATION RESPONSIBILITIES:**

One of the goals of the self-help program is to provide quality, modest housing at a cost lower than the cost of a comparable contractor-built home. When an applicant has been determined eligible for a self-help loan the local office will issue an eligibility letter. Form RD 1944-59, "Certificate of Eligibility" will not be issued. Attachment 1 will be used to notify self-help applicants of their eligibility and will be issued at the time the application package is complete.

UniFi may indicate the applicant qualifies for a higher loan amount than the actual cost of building a modest home using the self-help method. However, the dollar amount to be inserted in the eligibility letter will be based on the following:

EXPIRATION DATE: September 24, 2000

FILING INSTRUCTIONS:  
Preceding RD  
Instruction 1944-I

1. the average cost of the most recent group of homes built in the area by the self-help method with consideration given to known price increases or decreases in materials, labor, land, and/or time of construction (unless the applicant qualifies for less) or
2. the average cost of the homes that are to be built by the self-help method as determined by detailed cost estimates of the plans and specifications prepared by the self-help grant organization, in consultation with the local Rural Development staff and/or Technical and Management Assistant (T&MA) contractor. Consideration will also be given to known price increases or decreases in materials, labor, land, and/or time of construction (unless the applicant qualifies for less).

The market value of the self-help house should not exceed the maximum loan amount established for the area unless an exception is granted in accordance with HB-1-3550, paragraph 7.6.

For questions pertaining to the self-help housing program contact Carrie Schmidt at (202) 690-0510.

Attachment

Eligibility Letter to be used for Self-Help Applicants Only

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Date

(Variable)

(Variable)

(Variable)

Dear (Variable);

You have been determined eligible for Rural Housing Service (RHS) financing for construction of a modest single family home under the Self-Help program. Eligibility is based on income and financial information that is verified within 90 days of loan approval and closing. Loan approval and closing are subject to the continued eligibility of the applicant and the availability of loan funds. Changes in the your financial status (income and expenses) must be reported to RHS, and may effect your eligibility and the amount of loan for which you qualify. RHS has determined that you qualify for a Self-Help loan up to the amount of \$\_\_\_\_\_ in \_\_\_\_\_ County.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, (provided that the applicant has the capacity to enter into a binding contract); or because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith excised his or her right under the Consumer Credit Protection Act. If an applicant believes he or she was denied a loan for this reason, the applicant should contact the Federal Trade Commission, Washington, D.C. 20580 The Fair Housing Act prohibits discrimination in real estate-related transactions, or in the terms and conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin. If an applicant believes he or she has been discriminated against for any other reasons, that person can write the Secretary of Agriculture, Washington, DC 20250.

Sincerely,

Community Development Manager